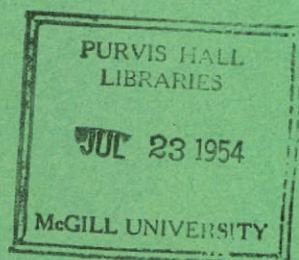


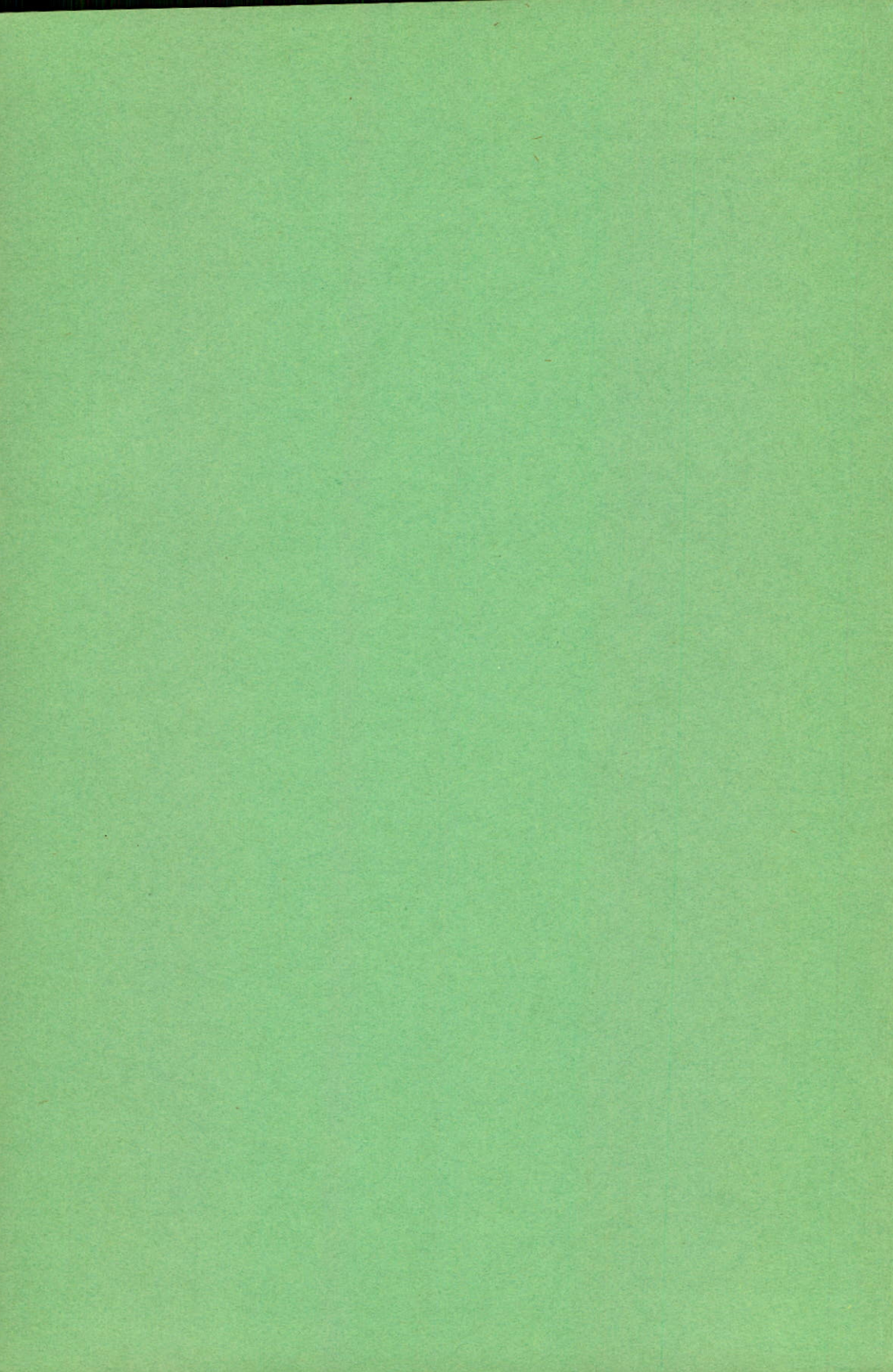
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CANADA
IRON FOUNDRIES
LIMITED



ANNUAL
" " REPORT
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CANADA IRON FOUNDRIES LIMITED



Directors

J. A. KILPATRICK	- - - - -	Montreal, P.Q.
C. L. JOBB	- - - - -	Montreal, P.Q.
T. McC. HUTCHISON	- - - - -	Montreal, P.Q.
D. W. FRASER	- - - - -	New York, N.Y.
W. J. LANGSTON	- - - - -	Montreal, P.Q.
A. CROSS	- - - - -	Montreal, P.Q.
A. McCALL	- - - - -	Montreal, P.Q.

Officers

J. A. KILPATRICK
Chairman of the Board

C. L. JOBB
President

W. J. LANGSTON
*Vice-President
and General Manager*

M. S. GROGAN
Secretary-Treasurer

General Offices

921 SUN LIFE BUILDING
MONTREAL, P.Q.

TWENTY-SIXTH ANNUAL REPORT
OF THE DIRECTORS OF
CANADA IRON FOUNDRIES, LIMITED

YEAR ENDED DECEMBER 31st, 1941

*Submitted to the Shareholders at the Annual General Meeting
of the Company at Montreal, April 27th, 1942*

Your Directors submit the following Report of the Company, together with Balance Sheet as at December 31st, 1941, and Profit and Loss Account for the year ended as at that date.

The Profit on operations of \$1,099,801.43, after deducting selling and administration expenses, compares with a profit of \$674,261.06, for the year 1940.

All Departments of your Foundries and Machine Shops operated to full capacity during the year; total tonnage of finished product shipped being 91,550 tons, this showing an increase of 24,000 tons over the previous year.

Your subsidiary Foundry Plants also operated at an increased capacity as compared with the preceding period.

Expenditures on Capital Account during the year amounted to \$515,039.19, covering extensions to Foundries and Machine Shop buildings, and the installation of equipment and machine tools. As the greater part of these expenditures were made necessary by increased demand for war work, authority has been granted by the War Contracts Depreciation Board to write off such portion during the years 1941-1942.

Estimated liability of your Company and subsidiaries for Income and Excess Profits Taxes for 1941 amounts to \$1,076,290.10, as compared with \$644,339.50 for the previous year.

For the purpose of re-establishing to civil life those employees who have enlisted for Active Service, your Directors have decided to set aside for this year the sum of \$25,000.00.

Your Directors have declared a \$6.00 dividend on both the Preference and Common Stock; \$3.00 of this was paid on October 1st, 1941, and the balance is payable on April 15th, 1942.

Adding revenue from Securities and Dividends from Subsidiary Companies, total earnings for the year are \$1,291,213.69, and added to the balance brought forward of \$1,294,944.78, amount to \$2,586,158.47, which after providing for all charges, also dividends on the Preference and Common Shares, leaves a balance to be carried forward to Earned Surplus Account of \$1,432,610.32.

All Plants of your Company have been kept in a good state of repair.

The loyal and efficient service rendered by the employees and all members of the Staff during the year is much appreciated by your Directors.

Submitted on behalf of the Board.

March 24th, 1942.

C. L. JOBB,
President.

CANADA IRON FO

BALANCE SHEET, AS A

ASSETS

CAPITAL ASSETS:

Real Estate, Buildings, Machinery, etc., and Goodwill (acquired 1st October, 1915) at Cost, plus Additions, less Realizations to date.....	\$6,991,270.23	
Less: Reserve for Depreciation.....	3,549,282.44	
		\$3,441,987.79

SHARES IN AND AMOUNTS OWING BY SUBSIDIARY COMPANIES:

Shares—At Cost or under.....	\$2,955,647.25	
Amounts owing.....	85,000.00	
		3,040,647.25

CURRENT ASSETS:

Inventories—as determined and certified by responsible officials of the Company and valued as follows:		
Raw Materials and Supplies, at the lower of Cost or Market, Work in Progress and Manufactured Product at Manufacturing Cost.....	1,528,721.91	
Accounts Receivable, less Reserve for Doubtful Debts.....	859,814.40	
Marketable Securities, at Cost, less Reserve.....	53,185.78	
(Market Value \$49,548.50)		
Other Securities, at Cost.....	25,990.90	
		2,467,712.99

DEFERRED CHARGES TO FUTURE OPERATIONS:

Insurance, Taxes, etc., unexpired.....	9,564.68	
		<u>\$8,959,912.71</u>

To the Shareholders:

CANADA IRON FOUNDRIES LIMITED—

We have examined the books and accounts of Canada Iron Foundries Limited for the year ended the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's books of the Company.

Pursuant to Section 114 of the Dominion Companies' Act we report that the profits of the Company were not in excess of the profits earned by those Subsidiaries for the year. Profits earned during the year by the

Montreal, 10th March, 1942.

UNDRIES, LIMITED

T 31st DECEMBER, 1941

LIABILITIES

CAPITAL STOCK:

Authorized:

45,000—6% Non-Cumulative Preference Shares of \$100.00 each.....	\$4,500,000.00
18,000—Common Shares of \$100.00 each.....	1,800,000.00
	<u>\$6,300,000.00</u>

Issued:

38,778—6% Non-Cumulative Preference Shares of \$100.00 each.....	\$3,877,800.00
15,989—Common Shares of \$100.00 each.....	1,598,900.00
	<u>\$5,476,700.00</u>

(Note: The Preference Shares are subject to Redemption by Tender, at prices not exceeding \$100.00 per share).

CURRENT LIABILITIES:

Bank Overdraft.....	\$ 149,497.22	
Accounts Payable, Pay Rolls, etc.....	377,926.15	
Income and Excess Profits Taxes.....	377,972.92	
Dividend of 3% on Preference Shares payable 15th April, 1942.....	116,334.00	
Dividend of 3% on Common Shares payable 15th April, 1942.....	47,967.00	
Unclaimed Dividends.....	17,896.92	
		<u>1,087,594.21</u>
UNCLAIMED WAGES AND OTHER UNADJUSTED CLAIMS		2,008.18

RESERVES:

General.....	936,000.00	
Re-Establishment of Enlisted Employees.....	25,000.00	
		<u>961,000.00</u>

EARNED SURPLUS:

Balance as per Statement herewith.....	1,432,610.32
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Approved on behalf of the Board:

(Signed), CHAS. L. JOBB	} Directors.	<u>\$8,959,912.71</u>
" D. W. FRASER		

31st December, 1941 and have obtained all the information and explanations we have required. In our opinion, any's affairs, according to the best of our information and the explanations given to us and as shown by the

ny for the year ended 31st December, 1941 include dividends received from two Subsidiary Companies which remaining Subsidiary Companies have not been included in the above accounts.

(Sgd.) STEVENSON, WALKER, KNOWLES & CO.,
Auditors.

CANADA IRON FO

PROFIT AND L

FOR THE YEAR ENDED

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To Provision for Income and Excess Profits Taxes.....	\$ 470,000.00
" Depreciation on Plant and Machinery.....	245,634.82
" Executive Remuneration paid to Salaried Directors.....	77,904.19
" Provision for Bad and Doubtful Debts.....	5,000.00
" Legal Fees.....	1,200.89
" Net Profit for the Year carried to Statement of Earned Surplus..	491,473.79
	<u>\$1,291,213.69</u>

Statement pursuant to Section 113 (1) Dominion Companies Act:—

The Total Remuneration received by Directors of the Company
(excluding Salaried Directors) including amounts paid by Sub-
sidiary Companies amounted to \$4,000.00.

STATEMENT OF

FOR THE YEAR ENDED

To Dividend of 6% on Preference Shares.....	\$ 232,668.00
" Dividend of 6% on Common Shares.....	95,934.00
" Appropriation for Re-Establishment of Enlisted Employees.....	25,000.00
" Loss on Sale of Securities.....	206.25
" Balance as per Balance Sheet.....	1,432,610.32
	<u>\$1,786,418.57</u>

UNDRIES, LIMITED

LOSS ACCOUNT

31st DECEMBER, 1941

	Cr.
By Profit on Operations after deducting Selling and Administrative Expenses.....	\$1,099,801.43
" Dividends—Subsidiary Companies.....	170,900.00
" Revenue from Securities.....	20,512.26

\$1,291,213.69

EARNED SURPLUS

31st DECEMBER, 1941

By Balance as at 31st December, 1940.....	\$1,294,944.78
" Net Profit for the Year as per Profit and Loss Account.....	491,473.79

\$1,786,418.57

Audited and Verified,

(Sgd.) STEVENSON, WALKER, KNOWLES & CO.,
Auditors.

MONTREAL, 10TH MARCH, 1942.

